

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
INSTRUCTIONS FOR PREPARATION OF BUDGET FORMS (DCH-0385, DCH-0386)**

I. INTRODUCTION

The Budget Summary (DCH 0385) is utilized to provide a standard format for the presentation of the financial requirements (both expenditure and funding) for each applicable program. Detail information supporting the Program Budget Summary is contained in the Program Budget-Cost Detail Schedule (DCH 0386). General instruction for the completion of these forms follows in Sections IV - V.

II. DISTRIBUTION

The original and three (3) copies of the Program Budget Forms are prepared and distributed as follows:

Original and two (2) copies -

Michigan Department of Community Health
(Bureau/Office)
(Appropriate Address)

One copy - Retained by Contractor

III. RETENTION

This budget should be retained for a period complying with the retention policies established in the agreement.

IV. PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION

Use the **Program Budget Summary (DCH 0385)** supplied by the Michigan Department of Community Health. An example of this form is attached (**see Attachment B.1**) for reference.

- A. Page ____ of ____ - Enter the page number of this and the total number of pages comprising the complete budget package.
- B. Program - Enter the title of the program.
- C. Code - Enter the program code if applicable.
- D. Budget Period - Enter the inclusive dates of the budget period.
- E. Date Prepared - Enter the date prepared.
- F. Contractor- Enter the name of the Contractor.
- G. Original or Amended - Check whether this is an original budget or an amended budget. The budget attached to the agreement at the time it is signed is considered the original budget although it may have been revised in the negotiation process. If the budget pertains to an amendment, enter the number of the amendment to which the budget is to be attached.

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PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION (continued)

- H. Address - Enter the complete address of the Contractor.
- I. Employer Identification Number - Enter Federal Identification Number.
- J. Category Column

Expenditures

1. Salaries and Wages - This category includes the compensation paid to all permanent and part-time employees on the payroll of the contractor and assigned directly to the program. This does **not** include contractual service, professional fees or personnel hired on a private contract basis. Subcontractor services are recorded in the Contractual expenditure category line 5 and Vendor services are recorded in the Other Expenses expenditure category line 7.

The salaries and wages line must be supported on the Program Budget-Cost Detail (DCH 0386) which lists each type of position description, number of positions assigned to the program and the budget amount. **This applies only to those positions within the contractor, not to personnel of subcontractors.**

2. Fringe Benefits - This category is to include the employer's contributions for insurance, retirement, FICA, and other similar benefits for all permanent and part-time employees assigned to the program. **Specific fringe benefits provided must be checked on the Cost Detail Schedule (DCH 0386).**
3. Travel - **Use only for travel costs of permanent and part-time employees assigned to the program.** This includes cost for mileage, per diem, lodging, registration fees and approved seminars or conference and other approved travel costs incurred by the employees for the conduct of the program. Travel of consultants is reported under Other Expenses - Consultant Services line 7. **Specific detail on the DCH-0386 should be provided if this expenditure category total exceeds 10% of total expenditures, line 11.**
4. Supplies and Materials - Use for all consumable and short-term items and equipment items costing less than five thousand dollars (\$5,000). This includes office, printing, janitorial, postage, educational supplies, medical supplies, contraceptives and vaccines, tape and gauze, education films, etc., according to the requirements of each applicable program. **Specific detail on the DCH-0386 should be provided if this expenditure category total exceeds 10% of total expenditures, line 11.**

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PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION (continued)

5. Contractual (Subcontracts) - Use for written contracts or agreement with subrecipient organizations such as affiliates, cooperating institutions or delegate contractors **when compliance with state and federal grant requirements is delegated to the subrecipient contractor. Detail on each subcontract (subcontractor name, subcontractor address, amount of subcontract) must be provided on the DCH 0386 Cost Detail Schedule. However, multiple small subcontracts that are under \$1,000 each for the same purpose can be grouped by purpose.** Vendor payments such as auditing and accounting services, janitorial services, stipends and allowances for trainees, patient care, consulting fees, etc., are to be identified in the Other Expenses category line 7.

6. Equipment - This category includes stationary and movable equipment to be used in carrying out the objectives of the program. The cost of a single unit or piece of equipment includes the necessary accessories, installation costs and any taxes. **Equipment items costing less than five thousand dollars (\$5,000) each are to be included in the Supplies and Material category.**

All equipment items summarized on this line must be detailed on the Program Budget-Cost Detail Schedule (DCH 0386). The schedule must include item description, quantity and budgeted amount. Equipment is defined to be an article of non-expendable tangible personal property having a useful life of more than one (1) year and an acquisition cost of \$5,000 or more per unit.

7. Other Expenses - This category includes other allowable cost incurred for the benefit of the program. The most significant items should be specifically listed on the Cost Detail Schedule. Other minor items may be identified by general type of cost and summarized as a single line on the Cost Detail Schedule to arrive at a total Other Expenses category. Some of the more significant groups or subcategories of costs are described as follows and should be individually identified in the space provided on and under line 7. If all other expenses can not be identified in the space provided under line 7. **Specific detail on the DCH-0386 should be provided if this expenditure category total exceeds 10% of total expenditures, line 11.**
 - a. Consultant Services - These are costs for consultation services related to the planning and operations of the program, or for some special aspect of the project. Travel and other costs of these consultants are also to be included in this category.

 - b. Space Cost - Costs of building space, rental of equipment, instruments, etc., necessary for the operation of the program. If space is publicly owned, the cost may not exceed the rental of comparable space privately owned facilities in the same general locality.

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PROGRAM BUDGET SUMMARY (DCH 0385) FORM PREPARATION (continued)

- c. Communication Costs - Cost of telephone, telegraph, data lines, etc., when related directly to the operation of the program.
- d. Other - All other items purchased exclusively for the operation of the program and not previously included.
- e. Administrative Costs - This category of costs is not allowed by the Department.
- 8. Total Direct Expenditures - Enter the sum of the direct expenditures lines 1-7.
- 9. Indirect Costs - Enter the allowable indirect costs for the budget. Indirect costs can only be applied if an approved indirect cost rate has been established or an actual rate has been approved by the applicable federal cognizant agency or State of Michigan department (i.e. Michigan Department of Education) and is accepted by the Department. Documentation of the federal or state approval is required and should be submitted with the budget documents. **Detail on how the indirect amount was calculated must be shown on the Cost Detail Schedule (DCH- 0386). Indirect costs without the proper federal or state approval will not be allowed.**
- 10. Other Cost Distributions - **This line is only for the use of Local Public Health Departments.**
- 11. Total Expenditures - Enter the total expenditures budgeted for the program. This is the sum of lines 8, 9, and 10.

Source of Funds

- 12. Fees and Collections - Enter the total fees and collections estimated. The total fees and collections represent funds which the program earns through its operation and retains for operation purposes. This would include fees for services, payments by third parties (insurance, patient collections, Medicaid, etc.) and any other collections.
- 13. State Agreement - Enter the amount of MDCH funding allocated for support of this program. State percentages are not required.
- 14. Local - Enter the amount of local contractor funds utilized for support of this program. Local percentages are not required. **In-kind and donated services from other agencies/sources should not be included on this line. If in-kind and donated services are allowed by Department, record the total amount of these services in the Other funding category, line 16.**
- 15. Federal - Enter the amount of any federal grants received directly by the Contractor in support of this program and identify the title of grant received.

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16. Other - Enter and identify the amount of any other funding received. Other funding could consist of foundation grants, United Way grants, private donations, fund-raising, charitable contributions, etc. **In-kind and donated services should not be included unless specifically requested by the Department.**
17. Total Funding - The total funding amount is entered on line 17. This is determined by adding lines 12 through 16 and must equal line 11 - Total Expenditures.

- K. Total Budget Column - The Program Budget Summary is designed for use in presenting a budget for a specific program agreement funded in part by or through the Department or some other non-local funding source. Total Budget column represents the program budget amount. **The "Total Budget" column must be completed while the remaining columns are not required unless additional detail is required by the Department.**

V. PROGRAM BUDGET-COST DETAIL SCHEDULE (DCH 0386) FORM PREPARATION

Use the **Program Budget-Cost Detail Schedule (DCH 0386)** supplied by the Michigan Department of Community Health. An example of this form is attached (**see Attachment B.2**) for reference.

- A. Page ___ of ___ - Enter the page number of this page and the total number of pages comprising the complete budget package.
- B. Program - Enter the title of the program.
- C. Code - Enter the program code if applicable.
- D. Budget Period - Enter the inclusive dates of the budget period.
- E. Date Prepared - Enter the date prepared.
- F. Contractor - Enter the name of the contractor.
- G. Original or Amended - Check whether this is an original budget or an amended budget. If an amended budget, enter the amendment number.
- H. Salary and Wages - Position Description - List all position titles or job descriptions required to staff the program.
- I. Positions Required - Enter the number of positions required for the program corresponding to the specific position title or description. This entry may be expressed as a decimal when necessary. If other than a full-time position is budgeted, it is necessary to have a basis in terms of a time study or time reports to support time charged to the program.

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PROGRAM BUDGET-COST DETAIL SCHEDULE (DCH 0386) FORM PREPARATION (continued)

- J. Total Salary – Compute and enter the total salary cost by multiplying the number of positions required by the annual salary.

- K. Comments – Enter any explanatory information that is necessary for the position description. Include an explanation of the computation of Total Salary in those instances when the computation is not straightforward.

- L. Total Salary and Wages – Enter a total in the Position Required column and the Total Salary column. The total salary amount is transferred to the Program Budget Summary – Salaries & Wage category. If more than one page is required, a subtotal should be entered on the last line of each page. On the last page, enter the total amounts.

- M. Fringe Benefits - Specify if fringe benefits are applicable with an “X” for staff position. **Check type of fringe benefits that apply, enter composite fringe benefit rate and total amount of fringe benefits.**

- N. Travel - Enter cost of employee travel (mileage, lodging, registration fees). **A specific description is required if this expenditure category exceeds 10% of total expenditures, line 11 on the DCH-0385.**

- O. Supplies & Material - Enter cost of supplies & materials (medical, office, postage). **A specific description is required if this expenditure category exceeds 10% of total expenditures, line 11 on the DCH-0385.**

- P. Contractual (Subcontractors) - **Identify subcontractor(s) by name** working on this program, **including subcontractor(s) address, amount by subcontractor and total of all subcontractor(s).** Multiple small subcontracts under \$1,000 for the same purpose can be grouped by purpose (e.g., various worksite subcontracts).

- Q. Equipment - Enter a description of the equipment being purchased (including number of units and the unit value), the total by type of equipment and total of all equipment. All equipment listed must cost \$5,000 or more.

- R. Other Expenses - Enter amounts by type of other expenses and total for all types. **A specific description is required if this expenditure category exceeds 10% of total expenditures, line 11 on the DCH-0385.**

- S. Total Direct Expenditures - Enter the sum of the total of lines 1 - 7.

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PROGRAM BUDGET-COST DETAIL SCHEDULE (DCH 0386) FORM PREPARATION (continued)

- T. Indirect Cost Calculations - Enter the base(s), rate(s), and amount(s) **if Contractor has a federal approved rate or a rate approved by a State of Michigan department such as the Michigan Department of Education. Attach documentation of the federal or state indirect cost approval.**
- U. Other Cost Distributions - **This category is only for the use of local public health departments.**
- V. Total Expenditures - Enter the sum of the total of lines 8, 9, and 10.

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
PROGRAM BUDGET SUMMARY

DCH-0385 6/98
Replaces FIN-110

SAMPLE
ATTACHMENT B.1
Page 1 of 2

PROGRAM B EXAMPLE		CODE C	BUDGET PERIOD D 10/01/01 to 09/30/02		DATE PREPARED E 07/01/01
CONTRACTOR F Southern Michigan			BUDGET FOR ORIGINAL AGREEMENT <input checked="" type="checkbox"/> OR AMENDMENT # _____		
ADDRESS H		CITY	STATE	ZIP CODE	PAYEE IDENTIFICATION G I

J	EXPENDITURE CATEGORY				K	TOTAL BUDGET
1.	Salaries and Wages				\$	34,000
2.	Fringe Benefits					8,908
3.	Travel					2,800
4.	Supplies and Materials					40,000
5.	Contractual (Subcontracts)					264,692
6.	Equipment					11,200
7.	Other Expenses					9,400
8.	TOTAL DIRECT EXPENDITURES				\$	371,000
9	Indirect Costs: Rate #1 <u>3 %</u>					1,587
	Indirect Costs: Rate #2 <u>11 %</u>					4,956
10.	Other Cost Distributions					5,733
11.	TOTAL EXPENDITURES				\$	383,276

SOURCE OF FUNDS

12.	Fees and Collections				\$	10,000
13.	State Agreement					348,276
14.	Local					25,000
15.	Federal					
16.	Other					
17.	TOTAL FUNDING				\$	383,276

COMPLETION IS A CONDITION OF FUNDING

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
PROGRAM BUDGET - COST DETAIL**

DCH 0386 698
REPLACES FIN-116

SAMPLE
ATTACHMENT B.2
Page 2 of 2

PROGRAM B Example	CODE C	BUDGET PERIOD D 10/01/01 TO 09/30/02	DATE PREPARED E 07/01/01
LOCAL AGENCY F Southern Michigan	ORIGINAL BUDGET <u> X </u>	AMENDED BUDGET <u> </u>	AMENDMENT NUMBER
1. SALARY & WAGES - POSITION DESCRIPTION H	POSITIONS I REQUIRED	TOTAL J SALARY	K COMMENTS
Registered Nurse	1.00	22,000	
Clerk-Typist	1.00	12,000	
L TOTAL SALARIES AND WAGES	2.00	\$ 34,000	
2. FRINGE BENEFITS: (Specify) FICA <u> X </u> LIFE INS. <u> X </u> DENTAL INS. <u> X </u> COMPOSITE <u> M </u> UNEMPLOY INS. <u> X </u> VISION INS. <u> X </u> WORK COMP. <u> X </u> RATE: 26% <u> </u> RETIREMENT <u> X </u> HEARING INS. <u> X </u> <u> </u> HOSP. INS. <u> X </u> OTHER: <u> </u> TOTAL FRINGE BENEFITS <u> 8,908 </u>			
3. TRAVEL (Specify if any items exceed 10% of Total Expenditures) N TOTAL TRAVEL <u> 2,800 </u>			
4. SUPPLIES AND MATERIALS (Specify if any item exceeds 10% of Total Expenditures) O Medical Supplies 38,000 Office Supplies 2,000 TOTAL SUPPLIES AND MATERIALS <u> 40,000 </u>			
5. CONTRACTUAL (Subcontracts) P Sample Contractor Contract City, MI 48801 - \$264,692 TOTAL CONTRACTUAL <u> 264,692 </u>			
6. EQUIPMENT (Specify): Q Two Microscopes @ \$5,600 TOTAL EQUIPMENT <u> 11,200 </u>			
7. OTHER EXPENSES (Specify if any item exceeds 10% of Total Expenditures) R Communications 2,400 Space Cost 3,600 Other 3,400 TOTAL OTHER EXPENSES <u> 9,400 </u>			
8. TOTAL DIRECT EXPENDITURES (Sum of Totals of lines 1-7) S <u> \$371,000 </u>			
9. INDIRECT COST CALCULATION T Rate #1: Base 42,908 x RATE 3% TOTAL INDIRECT COSTS: RATE #1 <u> 1,587 </u> Rate #2: Base 42,908 x RATE 11% TOTAL INDIRECT COSTS: RATE #2 <u> 4,956 </u>			
10. OTHER COST DISTRIBUTIONS (LOCAL HEALTH DEPARTMENTS ONLY) U TOTAL OTHER COST DISTRIBUTIONS <u> 5,733 </u>			
11. TOTAL EXPENDITURES (Sum of lines 8 - 10) V <u> \$383,276 </u>			

COMPLETION IS A CONDITION OF FUNDING (AUTH. P.A. 368 OF 1978)